Debt Examples

		RELATED	PARTY DEBT TRANS	ACTIONS			
			Α	В	С	D	E
Line	Related Party and Less-Than-Arms Length Debt Related Party Name and Debt Identifica		Principal Outstanding at Beginning of Year	Principal Incurred During Year	Principal Paid During Year	Principal Outstanding at End of Year	Total Interest Paid During Year
1							
2							
3							
4							
5	TOTAL RELATED PARTY DEBT TRANSACTIONS						

Schedule 8: Choice Capital Asset Related Debt Transactions Year Ending June 30, 2014

?	■ Schedule information	Only include	debt paid	out of sc	hool money in t	his schedule.					
Line	Lender(s) Name	Date Incurred	Perce Relati School F 12-13	ing to Program	Principal Outstanding at Beginning of Year	Principal Incurred During Year (a)	Total Principal Paid During Year	Principal Outstanding at End of Year	Principal Paid Relating to School Program	Total Interest Paid During Year	Interest Amt Relating to School Program
		RTGAGES	, BANK LOANS	OR PROMISSO	RY NOTES				_		
1											
2											
3											
10	TOTAL MORTGAGES, BANK LOANS OR PRO	MISSORY NO	TES								1
			DEB.	T FOR AS	SETS IN THE B	UILDING USAGI	E CHARGE				
11			0%	0%							
12			0%	0%							
13			0%	0%							
14	TOTAL DEBT FOR ASSETS IN THE BUILDING	USAGE CHA	RGE								1
					CAPITAL L	EASES.					
15											
16											
17											
18	TOTAL CAPITAL LEASES										<u> </u>
					TOTA	LS					
19	TOTAL CAPITAL ASSET RELATED DEBT										
20	TOTAL CHOICE DEBT										
ΟY	es ONo Have	e all ineligible re	elated party	or less-th	nan-arms length t	ransactions beer	n excluded from th	ne above schedu	le?		

Line	Choice Eligible Capital Asset Debt	Amount
1	Unexpended Prior Year Carryover Balance (b)	
2	Long-Term Debt Incurred-Current Period	
3	Available Capital Asset Debt Financing	
	LESS: CURRENT USES OF CAPITAL ASSET DEBT FINANCING	
4	Operating Expenses	
5	Educational Media	
6	Equipment	
7	Buildings and Premises	
8	Leasehold Improvements	
9	Total Current Uses of Capital Asset Debt Financing	
10	CARRYOVER UNEXPENDED DEBT PROCEEDS	

		OPERATING (CASH FLOW) DEBT								
	Choice Eligible Operating (Cash Flow) Debt Lender(s) Name	Date Incurred	Interest Rate	Choice	Principal Balance at Beginning of Year	Principal Incurred During Year (a)	Principal Paid During Year	Principal Balance at End of Year	Interest Accrued During Year	Interest Amount Relating to School Program
11										
12										
13	_									
14	_									
15	TOTAL OPERATING (CASH FLOW) DEBT									

⁽a) If operating debt is refinanced or renewed during the year report as payoff and new debt incurred.

⁽b) Amount must equal the prior year Line 10. Approval for balances different than the prior year must be approved in advance by a Choice School Finance Auditor.

A school obtains a 5 year loan from Guaranty Bank for \$15,000 on January 15, 2014 at an interest rate of 5%. The principal paid was \$3,000, the interest paid during the year was \$500 and the accrued interest was \$525. The school uses the money to pay for the teachers' salaries in January.

					L					
		OPERATING (CASH FLOW) DEBT								
	Choice Eligible Operating (Cash Flow) Debt Lender(s) Name	Date Incurred	Interest Rate	Choice %	Principal Balance at Beginning of Year	Principal Incurred During Year (a)	Principal Paid During Year	Principal Balance at End of Year	Interest Accrued During Year	Interest Amount Relating to School Program
11	Guaranty Bank	1/15/14	5.00%	100.00%		15,000	3,000	12,000	525	525
12										
13										
14										
15	TOTAL OPERATING (CASH FLOW) DEBT					15,000	3,000	12,000	525	525

A school obtains a line of credit from Associated Bank for \$100,000 on July 1, 2013. The interest rate on the line of credit is 5%. The school uses \$15,000 of the line of credit on September 1, 2013 to fund educational media purchases. The school uses \$10,000 of the line of credit on September 1, 2013 to pay for rent. The school repaid \$5,000 on June 30, 2014. The interest paid during the year on the line of credit was \$800 and the accrued interest was \$850.

Schedule 8:	Choice Capital Asset Related Debt Transactions	
	Year Ending June 30, 2014	

?	Schedule information	Only include debt paid out of school money in this schedule.									
\Box	'	1	Percen	_							
	'	1	Relatin	ng to	Principal	Principal	Total	Principal	Principal Paid		Interest Amt
	'	1 '	Scho	ool	Outstanding	Incurred	Principal	Outstanding	Relating to	Total	Relating to
ine	'	Date	Progr	ram	at Beginning	During Year	Paid During	at End of	School	Interest Paid	School
	,										
_	Lender(s) Name	Incurred	12-13	13-14	of Year	(a)	Year	Year	Program	During Year	Program
7	Lender(s) Name	Incurred			of Year BANK LOANS	OR PROMISSO		Year	Program	During Year	Program
1	Associated Bank	7/1/13			BANK LOANS	(a) OR PROMISSO 15,000		Year 12,000	3,000	During Year 480	Program 480

Schedule 9: Choice Eligible Debt Proceeds Used Year Ending June 30, 2014

			CAPITAL	ASSET DE	BT FINANCING					
?	■ Schedule information: Read for restrictions on	related party b	orrowing.							
Line	Choice Eligible Capital A		Amount							
1	Unexpended Prior Year Carryover Balance (b)									
2	Long-Term Debt Incurred-Current Period				15,000	_				
3	Available Capital Asset Debt Financing				15,000					
	LESS: CURRENT USES OF CAPITAL ASSET DEBT	FINANCING								
4	Operating Expenses									
5	Educational Media				15,000					
6	Equipment									
7	Buildings and Premises									
8	Leasehold Improvements									
9	Total Current Uses of Capital Asset Debt Financing				15,000					
10	CARRYOVER UNEXPENDED DEBT PROCEEDS									
			OPERAT	ING (CASH	FLOW) DEBT					
	Choice Eligible Operating (Cash Flow) Debt Lender(s) Name	Date Incurred	Interest Rate	Choice	Principal Balance at Beginning of Year	Principal Incurred During Year (a)	Principal Paid During Year	Principal Balance at End of Year	Interest Accrued During Year	Interest Amount Relating to School Program
11	Associated Bank	7/1/13	5.00%	100.00%		10,000	2,000	8,000	340	340

The school had \$15,000 of carryover of unexpended bank loans (Line 10 of Schedule 9) on the June 30, 2013 FIR. During the 2013-14 school year, the school used \$5,000 of the debt for equipment and \$8,000 on operating expenditures.

	Schedule 9: Choice Eligible Debt Proceeds Year Ending June 30, 2014							
		CAPITAL ASSET DEE	T FINANCING					
?	\blacktriangleleft Schedule information: Read for restrictions on	related party borrowing.						
Line	Choice Eligible Capital A	sset Debt	Amount					
1	Unexpended Prior Year Carryover Balance (b)		15,000					
2	Long-Term Debt Incurred-Current Period							
3	Available Capital Asset Debt Financing		15,000					
	LESS: CURRENT USES OF CAPITAL ASSET DEBT	FINANCING						
4	Operating Expenses		8,000					
5	Educational Media							
6	Equipment		5,000					
7	Buildings and Premises							
8	Leasehold Improvements							
9	Total Current Uses of Capital Asset Debt Financing	ı	13,000					
10	CARRYOVER UNEXPENDED DEBT PROCEEDS		2,000					

. --. -..-... --.. --, --.-

	NET ELIGIBLE PROGRAM COST		
Line	Program Cost		Amount
1	Eligible Program Cost	Schedule 5A Line 52	
2	Less: Operating Expense Financed by Capital Asset Debt	Schedule 9 Line 4	8,000
3	Less: Offsetting Revenue	Schedule 4 Line 23	
4	Less: 2012 Summer School Net Eligible Program Costs Included Above		
5	Less: 2013 Summer School Net Eligible Program Costs Included Above		
6	NET ELIGIBLE PROGRAM COST	Lines 1 less Lines 2-5	(8,000)

A school obtains a \$5,000 loan from the administrator of the school on May 1, 2014. The school pays the administrator \$1,000 in interest during the 2013-14 school year. Additionally the administrator provides a loan to the school by directly paying for \$3,000 for school supplies on May 1, 2014. No interest is charged on this amount.

Schedule 5B: Choice Non-eligible Transactions Year Ending June 30, 2014

?	■ Schedule information	Schedule information								
		RELATED	PARTY DEBT TRANS	SACTIONS						
Line	Related Party and Less-Than-Arms Length I Related Party Name and Debt Ident		A Principal Outstanding at Beginning of Year	B Principal Incurred During Year	C Principal Paid During Year	D Principal Outstanding at End of Year	E Total Interest Paid During Year			
1	Administrator		5,000		_	5,000	5,000			
2										
3										
4										
5	TOTAL RELATED PARTY DEBT TRANSACTIONS		5,000			5,000	5,000			

Debt Example 4

Line	Iten	Total Cost	Eligible Program Cost	
		INTEREST COST		
35	Related Party Interest Paid		1,000	
36	Operating (Cash Flow) Debt Interest Expe	nse		
37	Capital Asset Debt Interest Payment			
38	TOTAL INTEREST COST		1,000	

Line	Item	June 30, 2012	June 30, 2013
26	Outstanding Capital Asset Debt Balance		
27	Outstanding Operating Expense (Cash Flow) Debt		
28	Non-eligible Related Party Borrowing		5,000
29	Other Program Liabilities (a)		
30	Related Party Liabilities (Excluding Debt and Payroll)		3,000
31	TOTAL LIABILITIES		8,000

The school receives a loan from a member of the Board of Directors for \$2,000 on February 1, 2014. The interest rate is 4% and the prime rate on February 1, 2014 is 3.25%. The school pays \$200 of interest to the Board member during the year and accrues \$225. The Board member has no ownership interest in the school.

		OPERATING (CASH FLOW) DEBT								
	Choice Eligible Operating (Cash Flow) Debt Lender(s) Name	Date Incurred	Interest Rate	Choice	Principal Balance at Beginning of Year	Principal Incurred During Year (a)	Principal Paid During Year	Principal Balance at End of Year	Interest Accrued During Year	Interest Amount Relating to School Program
11	Board Member	2/1/14	4.00%	81.25%		2,000		2,000	225	183
12										
40										

Capital Asset Debt Examples

Schedule 6-1: Capital Outlay Allocation

2	Year Ending June 30, 2014 ? ◀ Schedule information: Read for restriction on "Legacy Items."										
?	Schedule informat	ion: Read for	restriction on		CATIONAL ME	DIΔ EXPENDIT	TIRE ALLOCA	TION			
		A	В		C C	D D	E E	F	G	Н	ı
Line		Legacy Items FMV / Original	Total Current		Less Portion Debt	Non-debt Financed Expenditure	Percentage Relating to School	School Program Expenditure Amount	Cost Option Elected Total Program Expenditure (100%) or	Choice Capital Outlay	Choice Deferred
1	Item Legacy Items Use this line first year only. (A)	Amount	Expenditure		Financed	(A &/or B) - C	Program	DxE	Amortization (20%)	Charge	Capital Cost
2	Current										
3	Prior Year Carryover										
4	TOTALS										
					EQUIPMENT E	XPENDITURE	ALLOCATION	l			
Line	ltem	A Legacy Items FMV / Original Amount	B Total Current Expenditure	C Allowance Granted for Equipment Traded In	D Less Portion Debt Financed	E Non-debt Financed Expenditure (A &/or B) - C - D	F Percentage Relating to School Program	G School Program Expenditure Amount ExF	H Cost Option Elected Total Program Expenditure (100%) or Amortization (20%)	l Choice Capital Outlay Charge	J Choice Deferred Capital Cost
5	Legacy Items Use this line first year only. (A)									-	-
6	Current										

7 Prior Year Carryover

8 TOTALS

The school purchases a desk for the school office that cost \$3,000 and 100 desks and chairs for the classrooms that cost \$50 each. The school decides to amortize the assets.

Schedule 6-1: Capital Outlay Allocation Year Ending June 30, 2014

•	Schedule Information: Read for restriction on	Legacy items.

				LDO	CATIONAL ML	DIA EXPENDIT	OKL ALLOCA	TION			
		Α	В		С	D	E	F	G	Н	
Line	ltem	Legacy Items FMV / Original Amount	Total Current Expenditure		Less Portion Debt Financed	Non-debt Financed Expenditure (A &/or B) - C	Percentage Relating to School Program	_	Cost Option Elected Total Program Expenditure (100%) or Amortization (20%)	Choice Capital Outlay Charge	Choice Deferred Capital Cost
	Legacy Items Use this line first year only. (A)										
2	Current		3,000			3,000	100.00%	3,000	20%	600	2,400
3	Prior Year Carryover										
4	TOTALS		3,000			3,000		3,000		600	2,400

In the 2013-14 school year, the administrator contributes a vehicle to the school. The Fair Market Value of the vehicle is \$5,000. The school records the vehicle in their fixed asset register and as a contribution. How should this be recorded in the FIR?

It should not be recorded. Only items that the school pays for or accrues for future payment (not donated items) may be included as an eligible cost.

Year Ending June 30, 2014 ✓ Schedule information EDUCATIONAL MEDIA

В

Prior Year Capital Outlay

Charges

В

Prior Year Capital Outlay

Charges

Schedule 7-1: Deferred Capital Outlay Charge Balances

EQUIPMENT

This schedule requires data entries matching the previous FIR for the year indicated unless the footnotes include information on disposal(s). No amounts may be added to any year except

C

Deferred Capital Cost

Beginning of Year

C

Deferred Capital Cost

Beginning of Year

D

Current Year Capital Outlay

Charge

D

Current Year Capital Outlay

Charge

Ε

Deferred Capital Cost End

of Year

Ε

Deferred Capital Cost End

of Year

	Α
	Original Amount of Non-

Year Ending June 30

2014 Items

2013

2012

2011

2010

Legacy Items

PRIOR YEAR TOTALS

TOTALS

Year Ending June 30

2014 Items

2013

2012

2011

2010

Legacy Items
PRIOR YEAR TOTALS

TOTALS

Line

3

5

Line

8

9

10

11

12

13

debt Funded Capital Outlay

Expenditure

Α

Original Amount of Nondebt Funded Capital Outlay

Expenditure

In the June 30, 2013 FIR, the school has the following equipment:

Year	Original Balance	Ending Balance	Accumulated Depreciation		
2013	20,000	16,000	4,000		
2012	5,000	3,000	2,000		

In the current year, the school sells equipment that was purchased May 2013 for \$4,000. The original cost of the equipment was \$4,000. Complete Schedule 7-1. What, if any, footnote disclosures are required. How should the gain be recorded in the FIR?

Schedule 7-1: Deferred Capital Outlay Charge Balances
Year Ending June 30, 2014

Schedule information

7	■ Schedule Information							
			EDUCATIO	NAL MEDIA				
		A	В	ပ	О	E		
		Original Amount of Non-debt Funded Capital Outlay	Prior Year Capital Outlay	Deferred Capital Cost	Current Year Capital Outlay	Deferred Capital Cost End of		
Line	Year Ending June 30	Expenditure	Charges	Beginning of Year	Charge	Year		
	2014 Items							
1	2013	16,000	3,200	12,800	3,200	9,600		
2	2012	5,000	2,000	3,000	1,000	2,000		
3	2011							
4	2010							
5	Legacy Items							
6	PRIOR YEAR TOTALS	21,000	5,200	15,800	4,200	11,600		
7	TOTALS	21,000	5,200	15,800	4,200	11,600		

In the June 30, 2013 FIR, the school has the following equipment:

Year	Original Balance	Ending Balance	Accumulated Depreciation		
2013	20,000	16,000	4,000		
2012	5,000	3,000	2,000		

In the current year, the school sells equipment that was purchased May 2013 for \$4,000. The original cost of the equipment was \$4,000. Complete Schedule 7-1. What, if any, footnote disclosures are required. How should the gain be recorded in the FIR?

Schedule 4: Financing Sources Year Ending June 30, 2014

?				
Line		Item	Financing Sources	Offsetting Revenue
21	Other Revenues and Adjustments (a)(I	Disclosure Threshold: \$1,000	800	
22	Summer School Choice Program Payr	nents		
23	TOTAL FINANCING SOURCES		800	

Schedule 6-1: Capital Outlay Allocation Year Ending June 30, 2014

2	Year Ending June 30, 2014 ? ■ Schedule information: Read for restriction on "Legacy Items."										
f	- Schedule informati	ion. Read for	restriction on		CATIONAL ME	DIA EXPENDIT	URE ALLOCA	TION			
		Α	В		С	D	E	F School	G	Н	ı
Line	ltem	Legacy Items FMV / Original Amount	Total Current Expenditure		Less Portion Debt Financed	Non-debt Financed Expenditure (A &/or B) - C	Percentage Relating to School Program	Program Expenditure Amount DxE	Cost Option Elected Total Program Expenditure (100%) or Amortization (20%)	Choice Capital Outlay Charge	Choice Deferred Capital Cost
1	Legacy Items Use this line first year only. (A)										
2	Current										
3	Prior Year Carryover										
4	TOTALS										
					EQUIPMENT E	XPENDITURE	ALLOCATION	ı			
Line	ltem	A Legacy Items FMV / Original Amount	B Total Current Expenditure	C Allowance Granted for Equipment Traded In	D Less Portion Debt Financed	E Non-debt Financed Expenditure (A &/or B) - C - D	F Percentage Relating to School Program	G School Program Expenditure Amount ExF	H Cost Option Elected Total Program Expenditure (100%) or Amortization (20%)	l Choice Capital Outlay Charge	J Choice Deferred Capital Cost
5	Legacy Items Use this line first year only. (A)										
6	Current										
										I	1

7 Prior Year Carryover

8 TOTALS

The school first participates in the Choice program in the 2013-14 school year. The school obtains an appraisal from Appraisals R' Us for its educational media. The appraisal is as follows. The school decides to include the cost fully in the first year. What items should be capitalized and where would they be included in the FIR?

Asset	Assessed Value
Math books	550
TV	500
Enrollment Software	200
Playground equipment	600
Papers and pens	250
Smart Board	1,000

Schedule 6-1: Capital Outlay Allocation Year Ending June 30, 2014

■ Schedule information: Read for restriction on "Legacy Items."

				ED	UCATIONAL ME	DIA EXPENDIT					
		А	В		С	D	E	G	Н	I	
Line	ltem	Legacy Items FMV / Original Amount	Total Current Expenditure		Less Portion Debt Financed	Non-debt Financed Expenditure (A &/or B) - C	Percentage Relating to School Program	School Program Expenditure Amount D × E	Cost Option Elected Total Program Expenditure (100%) or Amortization (20%)	Choice Capital Outlay Charge	
1	Legacy Items Use this line first year only. (A)	1,550				1,550					
2	Current										
3	Prior Year Carryover										
4	TOTALS	1,550				1,550					

Schedule 6-1: Capital Outlay Allocation Year Ending June 30, 2014

?	Year Ending June 30, 2014 ? ■ Schedule information: Read for restriction on "Legacy Items."											
f	- Schedule informati	ion. Read for	restriction on		CATIONAL ME	DIA EXPENDIT	URE ALLOCA	TION				
		Α	В		С	D	E	F School	G	Н	ı	
Line	ltem	Legacy Items FMV / Original Amount	Total Current Expenditure		Less Portion Debt Financed	Non-debt Financed Expenditure (A &/or B) - C	Percentage Relating to School Program	Program Expenditure Amount DxE	Cost Option Elected Total Program Expenditure (100%) or Amortization (20%)	Choice Capital Outlay Charge	Choice Deferred Capital Cost	
1	Legacy Items Use this line first year only. (A)											
2	Current											
3	Prior Year Carryover											
4	TOTALS											
					EQUIPMENT E	XPENDITURE	ALLOCATION	ı				
Line	ltem	A Legacy Items FMV / Original Amount	B Total Current Expenditure	C Allowance Granted for Equipment Traded In	D Less Portion Debt Financed	E Non-debt Financed Expenditure (A &/or B) - C - D	F Percentage Relating to School Program	G School Program Expenditure Amount ExF	H Cost Option Elected Total Program Expenditure (100%) or Amortization (20%)	l Choice Capital Outlay Charge	J Choice Deferred Capital Cost	
5	Legacy Items Use this line first year only. (A)											
6	Current											
										I	1	

7 Prior Year Carryover

8 TOTALS

Schedule 8: Choice Capital Asset Related Debt Transactions Year Ending June 30, 2014

?	■ Schedule information	Only include	debt paid	out of sc	hool money in t	his schedule.					
Line	Lender(s) Name	Date Incurred	Perce Relati School F 12-13	ing to Program	Principal Outstanding at Beginning of Year	Principal Incurred During Year (a)	Total Principal Paid During Year	Principal Outstanding at End of Year	Principal Paid Relating to School Program	Total Interest Paid During Year	Interest Amt Relating to School Program
			MOF	RTGAGES	, BANK LOANS	OR PROMISSO	RY NOTES				_
1											
2											
3											
10	TOTAL MORTGAGES, BANK LOANS OR PRO	MISSORY NO	TES								1
			DEB.	T FOR AS	SETS IN THE B	UILDING USAGI	E CHARGE				
11			0%	0%							
12			0%	0%							
13			0%	0%							
14	TOTAL DEBT FOR ASSETS IN THE BUILDING	USAGE CHA	RGE								1
					CAPITAL L	EASES.					
15											
16											
17											
18	TOTAL CAPITAL LEASES										<u> </u>
					TOTA	LS					
19	TOTAL CAPITAL ASSET RELATED DEBT										
20	TOTAL CHOICE DEBT										
ΟY	es ONo Have	e all ineligible re	elated party	or less-th	nan-arms length t	ransactions beer	n excluded from th	ne above schedu	le?		

The school first participants in the choice program in the 2013-14 school year. The school purchased a van in November 2012 that cost \$40,000 and purchases a swing set for \$2,000 in May 2013. The school would like to amortize the cost over 5 years. The van was partially financed with a \$10,000 loan from US Bank. As of June 30, 2013 \$8,000 remained outstanding on the loan. The school paid \$4,000 principal and \$2,000 interest on the loan during the 2013-14 school year.

					EQUIPMENT F	EXPENDITURE	ALLOCATION	4			!
Line	ltem		B Total Current Expenditure	Equipment		1	F Percentage Relating to School Program	Expenditure	H Cost Option Elected Total Program Expenditure (100%) or Amortization (20%)	Capital	J Choice Deferred Capital Cost
	Legacy Items Use this line first year only. (A)	2,000				2,000	100.00%	2,000	20%	400	1,600
6	Current										
7	Prior Year Carryover										
8	TOTALS	2,000				2,000		2,000		400	1,600

The school first participants in the choice program in the 2013-14 school year. The school purchased a van in November 2012 that cost \$40,000 and purchases a swing set for \$2,000 in May 2013. The school would like to amortize the cost over 5 years. The van was partially financed with a \$10,000 loan from US Bank. As of June 30, 2013 \$8,000 remained outstanding on the loan. The school paid \$4,000 principal and \$2,000 interest on the loan during the 2013-14 school year.

	Schedule 0. Choice Capital Asset Related Debt Transactions											
	Year Ending June 30, 2014											
?	■ Schedule information	Only include	e debt pa	aid out o	f school mone	y in this sched	lule.					
			Perce	ntage								
		Total	Principal	Principal		Interest Amt						
			Sch	iool	Outstanding	Incurred	Principal	Outstanding	Paid Relating	Total Interest	Relating to	
ine		Date	Prog	ram	at Beginning	During Year	Paid During	at End of	to School	Paid During	School	
=	Lender(s) Name	Incurred	12-13	13-14	of Year	(a)	Year	Year	Program	Year	Program	
	MORTGAGES, BANK LOANS OR PROMISSORY NOTES											
1	US Bank	11/1/12		100%	8,000		4,000	4,000	4,000	2,000	2,000	
2											·	

Schedule 8: Choice Capital Asset Related Debt Transactions

Schedule 6-2: Capital Outlay Allocation Year Ending June 30, 2014

■ Schedule information: Read for restriction on "Legacy Items."

·				BUILDINGS AND PREMISES EXPENDITURE ALLOCATION									
Line	ltem	A Legacy Items FMV / Original Amount	B Total Current Expenditure	C Less Capital Outlay Charges of Replaced Items	D Less Portion Debt Financed	E Non-debt Financed Expenditure (A &/or B) - C - D	F Percentage Relating to School Program	G School Program Expenditure Amount ExF	H Cost Option Elected Total Program Expenditure (100%) or Amortization (6.25%)	l Choice Capital Outlay Charge	J Choice Deferred Capital Cost		
9	Legacy Items Use this line first year only. (A)												
10	Current Items												
7 7 1	Prior Year Carryover Balance												
12	TOTAL												
				LEASE	HOLD IMPROV	EMENTS EXPE	NDITURE ALL	OCATION					
Line	ltem	A Legacy Items FMV / Original Amount	B Total Current Expenditure	C Less Capital Outlay Charges of Replaced Items	D Less Portion Debt Financed	E Non-debt Financed Expenditure (A &/or B) - D	F Percentage Relating to School Program	G School Program Expenditure Amount ExF	H Cost Option Elected Total Program Expenditure (100%) or Amortization over Lease Period	l Choice Capital Outlay Charge	J Choice Deferred Capital Cost		
4.0	Legacy Items Use this line first year only.												
14	Current Items												
7	Prior Year Carryover Balance												
16	TOTALS												
	TOTALS												
H	Sch8 Capital Asset	Debt CS4	Sch7-3 Def Ca	apital Costs CS5	Sch7-2 [Def Capital Costs	CS6 / Sc	:h7-1 Def Capital (Costs CS7 Sch6-2	Capital Outlay	CS8 Sch6-		

The school decides to do improvements to a building that it owns. The school acquires \$25,000 of items for a building improvement and pays \$20,000 for work performed on the building from January 2014-June 2014. From July 2014-January 2015, the school pays the remaining \$5,000. The school begins to use the improved portion of the building January 1, 2015. The school elects to amortize the improvements.

Schedule 6-2: Capital Outlay Allocation Year Ending June 30, 2014

■ Schedule information: Read for restriction on "Legacy Items."

				BUILT	DINGS AND PRE	MISES EXPEN	DITURE ALLO	CATION			
Line	ltem	A Legacy Items FMV / Original Amount	B Total Current Expenditure		D Less Portion Debt Financed	E Non-debt Financed Expenditure (A &/or B) - C - D	F Percentage Relating to School Program	_	H Cost Option Elected Total Program Expenditure (100%) or Amortization (6.25%)	l Choice Capital Outlay Charge	J Choice Deferred Capital Cost
9	Legacy Items Use this line first year only. (A)										
10	Current Items		25,000			25,000	100.00%	25,000	6.25%	1,563	23,438
7 7 1	Prior Year Carryover Balance										
12	TOTAL		25,000			25,000		25,000		1,563	23,438

Schedule 8: Choice Capital Asset Related Debt Transactions Year Ending June 30, 2014

?	■ Schedule information	Only include	debt paid	out of sc	hool money in t	his schedule.					
Line	Lender(s) Name	Date Incurred	Perce Relati School F 12-13	ing to Program	Principal Outstanding at Beginning of Year	Principal Incurred During Year (a)	Total Principal Paid During Year	Principal Outstanding at End of Year	Principal Paid Relating to School Program	Total Interest Paid During Year	Interest Amt Relating to School Program
			MOF	RTGAGES	, BANK LOANS	OR PROMISSO	RY NOTES				_
1											
2											
3											
10	TOTAL MORTGAGES, BANK LOANS OR PRO	MISSORY NO	TES								1
			DEB.	T FOR AS	SETS IN THE B	UILDING USAGI	E CHARGE				
11			0%	0%							
12			0%	0%							
13			0%	0%							
14	TOTAL DEBT FOR ASSETS IN THE BUILDING	USAGE CHA	RGE								1
					CAPITAL L	EASES.					
15											
16											
17											
18	TOTAL CAPITAL LEASES										<u> </u>
					TOTA	LS					
19	TOTAL CAPITAL ASSET RELATED DEBT										
20	TOTAL CHOICE DEBT										
ΟY	es ONo Have	e all ineligible re	elated party	or less-th	nan-arms length t	ransactions beer	n excluded from th	ne above schedu	le?		

Line	Choice Eligible Capital Asset Debt	Amount
1	Unexpended Prior Year Carryover Balance (b)	
2	Long-Term Debt Incurred-Current Period	
3	Available Capital Asset Debt Financing	
	LESS: CURRENT USES OF CAPITAL ASSET DEBT FINANCING	
4	Operating Expenses	
5	Educational Media	
6	Equipment	
7	Buildings and Premises	
8	Leasehold Improvements	
9	Total Current Uses of Capital Asset Debt Financing	
10	CARRYOVER UNEXPENDED DEBT PROCEEDS	

The school purchases a building for \$2,000,000. The school uses a loan from Guaranty Bank of \$1,500,000 to finance the purchase. The school pays \$200,000 of principal payments and \$20,000 of interest payments in the 2013-14 school year. The building will only be used for school use. The school decides to amortize the building over 16 years.

	Schedule 8: Choice Capital Asset Related Debt Transactions											
	Year Ending June 30, 2014											
?		Only include	e debt pa	aid out o	f school mone	y in this sched	dule.					
	1	Percentage										
			Relat	ing to	Principal	Principal	Total	Principal	Principal		Interest Amt	
			Sch	iool	Outstanding	Incurred	Principal	Outstanding	Paid Relating	Total Interest	Relating to	
ine		Date	Prog	jram	at Beginning	During Year	Paid During	at End of	to School	Paid During	School	
ΙŢ	Lender(s) Name	Incurred	12-13	13-14	of Year	(a)	Year	Year	Program	Year	Program	
		MORTGAGES, BANK LOANS OR PROMISSORY NOTES										
1	Guaranty Bank	y Bank 100% 1,500,000 200,000 1,300,000 200,000 20,000 20,000										

Line	Choice Eligible Capital Asset Debt	Amount
1	Unexpended Prior Year Carryover Balance (b)	
2	Long-Term Debt Incurred-Current Period	1,500,000
3	Available Capital Asset Debt Financing	1,500,000
	LESS: CURRENT USES OF CAPITAL ASSET DEBT FINANCING	
4	Operating Expenses	
5	Educational Media	
6	Equipment	
7	Buildings and Premises	1,500,000
8	Leasehold Improvements	
9	Total Current Uses of Capital Asset Debt Financing	1,500,000
10	CARRYOVER UNEXPENDED DEBT PROCEEDS	

The school purchases a building for \$2,000,000. The school uses a loan from Guaranty Bank of \$1,500,000 to finance the purchase. The school pays \$200,000 of principal payments and \$20,000 of interest payments in the 2013-14 school year. The building will only be used for school use. The school decides to amortize the building over 16 years.

> Schedule 6-2: Capital Outlay Allocation Year Ending June 30, 2014

■ Schedule information: Read for restriction on "Legacy Items."

			BUILD	INGS AND PRE	MISES EXPEN					
	Α	В	С	D	E	F	G	Н	1	J
			Less Capital		Non-debt		School	Cost Option Elected		
	Legacy		Outlay		Financed	Percentage	Program	Total Program	Choice	
	Home EMV//		Charges of	Loce Dortion	Evpondituro	Dolating to	Evpondituro	Evpanditure (40094)	Capital	Choico

		A	B	C	ט	E	l F	G	H	1	J
				Less Capital		Non-debt		School	Cost Option Elected		
		Legacy		Outlay		Financed	Percentage	Program	Total Program	Choice	
		Items FMV /		Charges of	Less Portion	Expenditure	Relating to	Expenditure	Expenditure (100%)	Capital	Choice
Line		Original	Total Current	Replaced	Debt	(A &/or B) -	School	Amount	or Amortization	Outlay	Deferred
5	Item	Amount	Expenditure	Items	Financed	C-D	Program	ExF	(6.25%)	Charge	Capital Cost
	Legacy Items Use										
9	this line first year										
	only. (A)										
10	Current Items		2,000,000		1,500,000	500,000	100.00%	500,000	6.25%	31,250	468,750
11	Prior Year Carryover Balance										
12	TOTAL		2,000,000		1,500,000	500,000		500,000		31,250	468,750

Schedule 6-2: Capital Outlay Allocation

Year Ending June 30, 2014

				BUILD	INGS AND PRE	MISES EXPEN	DITURE ALLO	CATION			
		A Legacy	В	C Less Capital Outlay	D	E Non-debt Financed	F Percentage	G School Program	H Cost Option Elected Total Program	l Choice	J
		Items FMV /	Total	Charges of	Less	Expenditure	Relating to	Expenditure	Expenditure (100%)	Capital	Choice
Line		Original	Current	Replaced	Portion Debt	(A &/or B) -	School	Amount	or Amortization	Outlay	Deferred
=	Item	Amount	Expenditure	Items	Financed	C-D	Program	ExF	(6.25%)	Charge	Capital Cost
9	Legacy Items Use this line first year only.										
10	Current Items										
11	Prior Year Carryover Balance										
12	TOTAL										
				LEASE	HOLD IMPROVI	EMENTS EXPE	NDITURE ALL				
		Α	В	С	D	1	J				
				Less Capital				School	Cost Option Elected		
		Legacy Items FMV /	Total	Outlay Charges of	Less	Non-debt Financed	Percentage Relating to	Program Expenditure	Total Program Expenditure (100%)	Choice Capital	Choice
9		Original	Current	Replaced	Portion Debt		School	Amount	or Amortization over	Outlay	Deferred
Line	Item	Amount	Expenditure	Items	Financed	(A &/or B) - D	Program	ExF	Lease Period	Charge	Capital Cost
13	Legacy Items Use this line first year only. (A)										
14	Current Items										
15	Prior Year Carryover Balance										
16	TOTALS										
						TOTALS					
17											

The school enters into a 5 year lease that has two optional renewable terms of one year each that begins July 1, 2012 with an unrelated 3rd party. The school repaves the parking lot for \$4,000 during the 2013-14 school year. The school decides to amortize the leasehold improvements.

Schedule 6-2: Capital Outlay Allocation Year Ending June 30, 2014

?	◀ Schedule information: Read for restriction on "Legacy Items."												
				LEASE	HOLD IMPROV	EMENTS EXPE	NDITURE ALL	OCATION					
Line	ltem	A Legacy Items FMV / Original Amount	B Total Current Expenditure	C Less Capital Outlay Charges of Replaced Items	D Less Portion Debt Financed	E Non-debt Financed Expenditure (A &/or B) - D	F Percentage Relating to School Program	G School Program Expenditure Amount ExF	H Cost Option Elected Total Program Expenditure (100%) or Amortization over Lease Period	l Choice Capital Outlay Charge	J Choice Deferred Capital Cost		
13	Legacy Items Use this line first year only.					-	_			_	-		
14	Current Items		4,000			4,000	100.00%	4,000	25.00%	1,000	3,000		
ורו	Prior Year Carryover Balance												
16	TOTALS		4,000			4,000		4,000		1,000	3,000		
TOTALS													
17		2,000	4,000			6,000		6,000		1,400	4,600		

Schedule 5C: BUILDING USAGE CHARGE (BUC) Year Ending June 30, 2014

itinued use of the BUC.

lunued use of the E	50C.							
		Е	BUC COST INFORMA	ATION				
В	С	D	E			Current	Year Improvement	s and Repairs (B)
				F	G	н	1	J
							Choice Eligible	
	Appraised Fair				Non-		Non-Capitalizable	Description of Non-Capitalizable Costs
Date of Last	Market Value	to School	Use Value	Capitalizable	Capitalizable	to School		If additional room is needed, please include a
Appraisal (A)	(FMV)	Program	CxD	Costs	Costs	Program	GxH	disclosure in the notes.
			-				-	
			-				-	
			-				_	
			-				-	
			-				-	
			-				-	
			-				-	
			-				-	
			1				-	
			1				-	
			-				-	
			-	-	-		-	

Schedule 5A-1: Eligible School Program Expenditures Year Ending June 30, 2014

Line	Item	Total Cost Eligible Program Cost
	PROPERTY	SERVICES
17	Property Services - K-12 Programs	
18	Facility Rent Enter property owner name below.	
19	BUC Costs	
20	Property Services - Food Services	
21	Property Services - Pupil Transportation	
22	Property Services - Other	
23	TOTAL PROPERTY SERVICES	

The school elected to use the BUC in the 2012-13 school year. The Fair Market Value of the building was determined to be \$3,000,000. The school repaved the parking lot in the 2012-13 school year, which cost \$1,000. In the 2013-14 school year the school paid 1) rent of \$50,000, 2) \$15,000 for an addition to the building, and 3) \$3,000 for general maintenance for the school building. Complete Schedule 5C and 5A-1.

Schedule 5C: BUILDING USAGE CHARGE (BUC)
Year Ending June 30, 2014

use of the BUC.

	E	BUC COST INFORMA	ATION						
С	D	E		Current Year Improvements and Repairs (B)					
			F	G	н	I Choice Eligible	J		
Appraised Fair	% Relating	School Program		Non-	% Relating	Non-Capitalizable	Description of Non-Capitalizable Costs		
Market Value	to School	Use Value	Capitalizable	Capitalizable	to School	Costs	If additional room is needed, please include a		
(FMV)	Program	CxD	Costs	Costs	Program	GxH	disclosure in the notes.		
3,000,000	100.00%	3,000,000	15,000	3,000	100.00%	3,000	General maintenance		
		-				_			

Schedule 5A-1: Eligible School Program Expenditures Year Ending June 30, 2014

Line	Iten	1	Total Cost	Eligible Program Cost
		PROPERTY SERVICES		
17	Property Services - K-12 Programs			
	Facility Rent Enter property owner name b			
18			50,000	
19	BUC Costs	18,000	318,000	

Schedule 5C: BUILDING USAGE CHARGE (BUC) Year Ending June 30, 2014

itinued use of the BUC.

lunued use of the E	50C.							
		Е	BUC COST INFORMA	ATION				
В	С	D	E			Current	Year Improvement	s and Repairs (B)
				F	G	н	1	J
	. .						Choice Eligible	
	Appraised Fair				Non-		Non-Capitalizable	Description of Non-Capitalizable Costs
Date of Last	Market Value	to School	Use Value	Capitalizable	Capitalizable	to School		If additional room is needed, please include a
Appraisal (A)	(FMV)	Program	CxD	Costs	Costs	Program	GxH	disclosure in the notes.
			-				-	
			-				-	
			-				_	
			-				-	
			-				-	
			-				-	
			-				-	
			-				-	
			1				-	
			1				-	
			-				-	
			-	-	-		-	

The school elected to use the BUC in 1999. The original Fair Market Value was \$1,500,000. The school replaced their roof in the 2013-14 school year, which cost \$3,000.

<u>Year</u>	<u>Cost</u>	School Use %	Allowable Amount
2012	300,000	50%	150,000
2009	4,000	100%	4,000
2006	6,000	100%	6,000
Total	310,000		160,000

Schedule 5C: BUILDING USAGE CHARGE (BUC)
Year Ending June 30, 2014

e of the BUC.

of the Boo.											
		E	BUC COST INFORMA								
В	С	D	E								
ıte of Last praisal (A)	Appraised Fair Market Value (FMV)	% Relating to School Program	School Program Use Value C imes D	F Capitalizable Costs	G Non-Capitalizable Costs	% R to S Pro					
	1,810,000	92.00%	1,665,200	3,000							

Schedule 5C: BUILDING USAGE CHARGE (BUC) Year Ending June 30, 2014

itinued use of the BUC.

lunued use of the E	50C.							
		Е	BUC COST INFORMA	ATION				
В	С	D	E			Current	Year Improvement	s and Repairs (B)
				F	G	н	1	J
	. .						Choice Eligible	
	Appraised Fair				Non-		Non-Capitalizable	Description of Non-Capitalizable Costs
Date of Last	Market Value	to School	Use Value	Capitalizable	Capitalizable	to School		If additional room is needed, please include a
Appraisal (A)	(FMV)	Program	CxD	Costs	Costs	Program	GxH	disclosure in the notes.
			-				-	
			-				-	
			-				_	
			-				-	
			-				-	
			-				-	
			-				-	
			-				-	
			1				-	
			1				-	
			-				-	
			-	-	-		-	

Schedule 8: Choice Capital Asset Related Debt Transactions Year Ending June 30, 2014

?	■ Schedule information	Only include	debt paid	out of sc	hool money in t	his schedule.					
Line	Lender(s) Name	Date Incurred	Perce Relati School F 12-13	ing to Program	Principal Outstanding at Beginning of Year	Principal Incurred During Year (a)	Total Principal Paid During Year	Principal Outstanding at End of Year	Principal Paid Relating to School Program	Total Interest Paid During Year	Interest Amt Relating to School Program
			MOF	RTGAGES	, BANK LOANS	OR PROMISSO	RY NOTES				_
1											
2											
3											
10	TOTAL MORTGAGES, BANK LOANS OR PRO	MISSORY NO	TES								1
		T FOR AS	SETS IN THE B	UILDING USAGI	E CHARGE						
11			0%	0%							
12			0%	0%							
13			0%	0%							
14	TOTAL DEBT FOR ASSETS IN THE BUILDING	USAGE CHA	RGE								1
					CAPITAL L	EASES.					
15											
16											
17											
18	TOTAL CAPITAL LEASES										<u> </u>
					TOTA	LS					
19	TOTAL CAPITAL ASSET RELATED DEBT										
20	TOTAL CHOICE DEBT										
ΟY	es ONo Have	e all ineligible re	elated party	or less-th	nan-arms length t	ransactions beer	n excluded from th	ne above schedu	le?		

The school with the BUC included in Example 10 gets a new Fair Market Value appraisal in the 2013-14 school year. The Fair Market Value is assessed at \$1,510,000. The school also builds a \$200,000 addition with additional classrooms that is debt financed by Bank One with a \$200,000 loan with an interest rate of 5%. The school pays principal payments of \$10,000 and interest payments of \$3,000 during the 2013-14 school year.

Schedule 5C: BUILDING USAGE CHARGE (BUC)
Year Ending June 30, 2014

d use of the BUC.

	В	UC COST INFORM			
С	D	E			
			F	G	
Appraised Fair Market Value (FMV)	% Relating to School Program	School Program Use Value C x D	Capitalizable Costs	Non- Capitalizable Costs	% F to Pi
1,510,000	92.00%	1,389,200	203,000		

Schedule 8: Choice Capital Asset Related Debt Transactions Year Ending June 30, 2014

?	■ Schedule information Only include debt paid out of school money in this schedule.									
	1	(1	Percentage	1	ĺ	1		1		
		()	Relating to	Principal	Principal	Total	Principal	Principal		Interest Amt
		1	School	Outstanding	Incurred	Principal	Outstanding	Paid Relating	Total Interest	Relating to
ne		Date	Program	at Beginning	During Year	Paid During	at End of	to School	Paid During	School
17	Lender(s) Name	Incurred	12-13 13-14	of Year	(a)	Year	Year	Program	Year	Program
DEBT FOR ASSETS IN THE BUILDING USAGE CHARGE										
11	Bank One		0% 0%		200,000	10,000	190,000		3,000	

Schedule 5C: BUILDING USAGE CHARGE (BUC) Year Ending June 30, 2014

itinued use of the BUC.

funded use of the Boc.											
BUC COST INFORM.				ATION							
В	С	D	E			Current	t Year Improvements and Repairs (B)				
				F	G	н	1	J			
	. .						Choice Eligible				
	Appraised Fair				Non-		Non-Capitalizable	Description of Non-Capitalizable Costs			
Date of Last	Market Value	to School	Use Value	Capitalizable	Capitalizable	to School		If additional room is needed, please include a			
Appraisal (A)	(FMV)	Program	CxD	Costs	Costs	Program	GxH	disclosure in the notes.			
			-				-				
			-				-				
			-				_				
			-				-				
			-				-				
			-				-				
			-				-				
			-				-				
			1				-				
			1				-				
			-				-				
			-	-	-		-				

The church purchases a building for \$2,000,000. The school elects to use the Building Usage Charge. The building will be used for the daycare about 20% of the time. The daycare operates in 4 classrooms over 2,000 square feet. The school operates in 10 classrooms over 6,000 square feet. Complete Schedule 5C.

		Schedule Sc. Bullblind USAGE CHARGE (BUC)										
		Year Ending June 30, 2014										
?	? ◀ Information on the initial election and continued use of the BUC.											
					BUC COST INFORMATION							
	Α	В	С	D	E		Current Year Improvements a					
						F	G	н	1			
									Choice Eligible			
			Appraised Fair	% Relating	School Program		Non-	% Relating	Non-Capitalizable			
Line		Date of Last	Market Value	to School	Use Value	Capitalizable	Capitalizable	to School	Costs			
5	Property Street Address	Appraisal (A)	(FMV)	Program	CxD	Costs	Costs	Program	GxH			
1			2,000,000	75.00%	1,500,000	-	-		-			
2					_							

Schedule 5C: BUILDING USAGE CHARGE (BUC)